



802.5

September 27, 2007

Michael B. Verne  
Federal Trade Commission  
Bureau of Competition  
Premerger Notification Office, Room 303  
600 Pennsylvania Avenue, N.W.  
Washington, DC 20580

Re: Hart-Scott-Rodino Antitrust Improvements Act Rule 802.5 Exemption

Dear Mike:

This letter follows up on the inquiry [redacted] and I made on September 25, 2007 regarding the availability of the exemption provided in 16 C.F.R. § 802.5 to the transaction we described. This letter memorializes our description of the transaction and your advice that no Hart-Scott-Rodino Act filing is required. It also provides some additional information we have been provided by our respective clients.

The proposed transaction meets the size-of-person and size-of-transaction tests. Company A plans to purchase Company B, which holds a 50% interest in a partnership (the "Partnership") that operates an oil terminal (the "Terminal"). The sole business of the Partnership is to lease storage capacity in the Terminal to third parties for a fee. Approximately 95% of the revenues of the Partnership/Terminal are related to this storage rental activity. Approximately 70% of the stored product is 6 oil, while about 30% is crude oil. As is standard in the oil storage business, the Terminal has certain pipelines connecting to refineries. Through payment of their basic storage fee, customers storing crude oil may have their product shipped to a refinery through these pipelines. In certain instances relating to 6 oil, before the stored product is transported by the customer from the Terminal, the Terminal performs certain blending services at the customers' direction, so that the product will meet end-user specifications. These blending services constitute approximately 5% of the Terminal's revenues. Company A does not intend to use the Terminal or its assets for storing its own products or those of its affiliates.

Based on this factual description, it is our understanding that the storage Terminal and its incidental transportation and blending-related assets should be considered investment rental property assets with the result that the transaction would be exempt from filing under the HSR Act pursuant to 16 C.F.R. § 802.5. Please let us know if our understanding is incorrect or you need additional information to confirm your analysis. If we do not hear from you by

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October 3, 2007, we will conclude that you concur that no Hart-Scott-Rodino Act filing is required.

If you have any questions, please call me at [Redacted]

Very truly yours,

[Redacted Signature]

cc: [Redacted]

AGNER  
BW  
9/27/07